ONTARIO LOTTERY CORPORATION ANNUAL REPORT 1981-1982

September 30, 1982
The Honourable Reuben Baetz
Minister of Tourism and Recreation
1200 Bay Street
Toronto, Ontario
M5R 2A6

Dear Mr. Baetz,

Pursuant to the provisions of the Ontario Lottery Corporation Act, I have the pleasure of presenting to you the seventh annual report of the Ontario Lottery Corporation for the year ending March 31, 1982.

Yours very truly,

J. Gilbert Bowness.

J. Gilbert Bowness
Chairman of the Board

COVER PHOTO: *Pictured is Dennis Fairall, a track and field coach at the Tillsonburg Legion Track and Field Club. The Club provides first-class sports facilities and programs for area residents of all ages. The asphalt-rubber track was funded with the help of a Wintario grant for $24,000 in 1977 and another $4,200 assisted in the purchase of athletic equipment in 1981.*

CHAIRMAN'S REPORT

Public Support Cornerstone of Lottery Success

IF there is one factor alone to which the success of the Ontario Lottery Corporation may be attributed, it is the enthusiasm of its players.

This support remains the cornerstone of the Corporation's strong performance.

At the conclusion of our seventh year, I am pleased to report a record profit of $158 million. Representing a $9 million increase from last year, these monies will fund important public projects.

It is true to say that the quality of life in Ontario has benefited greatly from lottery proceeds. Since 1975, $700 million have been generated for thousands of worthwhile activities affecting practically all who live in the province.

In towns, cities and villages, sports, fitness, recreational and cultural projects are receiving financial help from Wintario and Lottario.

Proceeds from the Provincial are put to work in the areas of health and environmental research and social services.

With Super Loto proceeds benefiting hospital capital projects, a special focus has emerged in the area of health.

In addition, lotteries offer very real assistance to the economy. Thousands of jobs in the construction industry have been created through lottery programs.

Commissions from the sale of lottery tickets provide important income for many Ontario business operators. And studies show that prizewinners continue the cycle of benefit by buying houses and cars, sharing their winnings with charities, family and friends, and investing in stocks and bonds.

To the management and staff of the Corporation, I express appreciation for their efforts; to our players, gratitude for their enthusiasm and support. The Ontario Lottery Corporation pledges to carry out its responsibilities with the integrity and sensitivity upon which its operation is based.

J. Gilbert Bowness

J. Gilbert Bowness
Chairman of the Board

PRESIDENT'S REPORT

Popular Games Weather Tough Times

THE Ontario Lottery Corporation followed last year's record-setting performance with another very successful year. Revenues of $507 million experienced a $17 million boost from a year ago. Profits generated for important public projects saw a $9 million increase, reaching $158 million.

These results are all the more significant when measured against the current backdrop of economic recession and consumer belt-tightening.

The Corporation's three passive games – Wintario, Provincial and Super Loto – were affected by the demanding economic factors in the marketplace.

But Lottario, the on-line number selection game, continued its dynamic growth with average weekly sales climbing from $2.8 million to $3.9 million.

Several successful new features were also introduced to the passive games resulting in very creditable performances.

As an example, Wintario launched a three-week Jumbo bonus draw and new scramble and two-way play features.

The Provincial game took 50 Ontario prizewinners to Montreal for the Canada Cup hockey final and offered special bonus draws.

My thanks go to the board of directors for its guidance. I would also like to acknowledge the contribution of David Daubney who retired from the board during the year. To distributors, retailers and suppliers, I extend the gratitude of the Corporation for a job well done. We are all looking forward to meeting the challenges of the coming year with renewed enthusiasm.

There can be no stronger motivation, after all, than knowing the results of our work are benefiting the province in so many ways.

D. Norman Morris

D. Norman Morris, CA
President

Composition of Board Reflects Diversity of Ontario

Selected from all over the province and from all walks of life, the nine members of the Ontario Lottery Corporation board bring a variety of unique perspectives to their policy-making responsibilities.

Directing Corporation activities are board members (left to right) Mary Callaghan, C. Ronald S. MacKenzie, Monique Jacques, Fern Guindon, Donald J. MacLean, Albert Hansen, J. Gilbert Bowness, C. Gordon Ross and D. Norman Morris.

J. Gilbert Bowness, chairman – North Bay. (Sept. 22, 1976 – Feb. 16, 1985). Mr. Bowness also serves as vice-president of the Interprovincial Lottery Corporation. He is a senior executive with an investment firm.

Donald J. MacLean, vice-chairman – Willowdale. (Feb. 17, 1976 – Feb. 16, 1985). A director of the Interprovincial Lottery Corporation, Mr. MacLean is a former president of the Life Underwriters of Canada.

Mary F. Callaghan, director – Toronto. (Feb. 17, 1981 – Feb. 16, 1984). Mrs. Callaghan is a journalist contributing to a variety of publications.

Fern Guindon, director – Cornwall. (Feb. 17, 1975 – Feb. 16, 1984). A board member since the Corporation's creation, Mr. Guindon was member of the Legislature for Stormont from 1957-1974, having held key cabinet posts during this time.

Albert Hansen, director – Ottawa. (Oct, 29, 1981 – Feb. 16, 1985). Mr. Hansen is a retired financial executive from the automobile industry and a director of the Interprovincial Lottery Corporation.

Monique Jacques, director – Kapuskasing. (Feb. 17, 1981 – Feb. 16, 1984). A vice-chairman of the Kaspuskasing Separate School Board, Mrs. Jacques is also a teacher.

C. Ronald S. MacKenzie, MD, director – St. Catharines. (Feb. 17, 1981 – Feb. 16, 1984). Dr. MacKenzie holds a senior appointment at Hotel Dieu Hospital and is a specialist in obstetrics and gynaecology.

D. Norman Morris, CA, president – Mississauga. Mr. Morris is the chief executive officer of the Corporation and a director of the Interprovincial Lottery Corporation.

C. Gordon Ross, BD, director – Scarborough. (June 11, 1981 – Feb. 16, 1983). Ordained a United Church minister in 1967, Mr. Ross is presently pastor of Knob Hill United Church.

Seven Years of Growth

When the Ontario Lottery Corporation opened for business in the spring of 1975, few would have predicted the importance of its future role.

THE creation of the Crown corporation by the Ontario Legislature in February of that year had one purpose: to keep the millions of lottery dollars flowing out of the province at work at home.

With the responsibility for developing and managing provincial government lotteries, the Corporation turns over its profits to the Consolidated Revenue Fund. From there, the funds are dispersed through a variety of ministries to sports, physical fitness, cultural, recreational, health and environmental research and hospital capital projects.

In establishing the grants programs, it was recognized that lottery profits could not be guaranteed. Because of this, projects receiving lottery funds were targeted as those which would normally not qualify for conventional government financing.

One of the keys to Wintario's seven-year success story is the travelling draw which originates from a different community each week. Colourful banners herald the show's arrival in town.

The Honourable Reuben Baetz, Minister of Tourism and Recreation, purchased the first Lottario ticket in November, 1978, from Bob Ellis (right), proprietor of Malham's Smoke Shop in Ottawa.

New games added as corporation expands

Providing the right variety of products to please everyone's taste has also played a part in the Corporation growth. When Wintario began in 1975, players greeted it enthusiastically since they liked the idea of a low-cost, home-grown game.

The Corporation's second venture was the $5-a-ticket game called Provincial. Launched in October, 1976, it is a joint project of all Canadian provinces through the Interprovincial Lottery Corporation.

By the fall of 1978, Ontario was ready for a game where players could pick their own numbers. Lottario, the world's first on-line lotto game, was launched to meet the demand.

Super Loto, at $10 a ticket, was introduced two years later in January, 1980, when the federal government turned over all lottery administration to the provinces.

And in June, 1982, Lotto 6/49, a coast-to-coast, on-line number selection game made its debut.

Communication is the name of the game, and a travelling information display does just that in shopping malls, fairs and exhibitions across the province. Corporation staff are on hand with answers to lottery questions.

SEVEN YEAR REVIEW

OPERATING HIGHLIGHTS (in thousands of dollars)

	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
SALES				[illegible],105	323,787	490,333	506,896
COMMISSIONS				22,481	28,292	41,203	41,398
PRIZES				[illegible],856	182,733	270,324	271,893
TOTAL OPERATING EXPENSES				14,460	22,196	36,702	44,974
INTEREST				2,481	4,250	6,728	8,889
INCOME				82,813*	92,844*	148,833	157,520
NUMBER OF GAMES				3	4	4	4

*After Extraordinary Expenses

Behind-the-Scenes Staff Key to Success

What does it take to operate a half a billion dollar business operation like the Ontario Lottery Corporation? The answer is 'top business skills'.

THE performance of the Ontario Lottery Corporation – like any other business venture – can only be measured by the achievements of the men and women that make up its management and staff.

Senior management backbone of organization

Forming the organization's backbone is a team of experts in sales, marketing and operations. It is their job to transform board policy into reality.

This is done by systematic research, planning and adherence to sound business principles.

In an industry launched less than a decade ago in Ontario, new ground is constantly broken by the Corporation to meet the challenges and opportunities faced.

Staff play key role behind the scenes

If senior management of the Ontario Lottery Corporation is its backbone, then the 170 staff and 49-member distribution network must surely be its lifeblood.

Each plays a key role in the demanding behind-the-scenes activities that make Ontario's lotteries an industry standard.

The story starts in the *Marketing* department where games and new features originate. Field research pinpoints player preferences. These results are translated into game enhancements to meet consumer demand. Ticket design, advertising and merchandising are used to explain important facts to players.

Corporate advertising is concentrated on informing consumers about winning numbers, upcoming draws and game features. Good taste has always been the basis of the advertising policy, which avoids both the encouragement of overspending and the promotion of excessive expectations.

1. The Corporation's day-to-day activities are directed by (from right to left) Adam Hawkins, executive vice-president; Douglas R. Mackie, vice-president, Marketing; J. Michael Holroyde, vice-president, Sales and Distribution and John Van Camp, controller, under the leadership of D. Norman Morris, president.

2. Sales and Distribution staffers like Carmen Li and Ramiro Morales (right) monitor the flow of tickets across the province.

3. Accounting Supervisor, Adriana Wilcox, reviews sales statistics with Finance staff member, Ping Ye Chan.

4. Debbie Nickerson (left) and Judy Bourgard are part of a hard-working Operations team geared to keeping the Corporation running smoothly.

Next, the *Sales and Distribution* team moves into action. Tickets for Wintario, Provincial and Super Loto games are shipped to warehousing facilities all over Ontario. They are dispersed by independent distributors to a giant 19,000-strong retailer network. The team works quickly and smoothly to make sure millions of tickets reach their destination on time each week.

On-line lotto games, like Lottario and Lotto 6/49, are also supervised by the Sales and Distribution department. They are kept operating by technical experts with state-of-the-art computer technology administered by the *Operations* department, an all-encompassing and multi-talented group.

Part of this group is the *Draws* department, whose staff, following strict security measures, organizes and supervises Wintario and Lottario draws. Each live Wintario draw show is a joint effort by the Draws staff, Global television and community organizers. Months of advance planning ensure each show proceeds like clockwork.

After the draws, lucky winners then collect their prizes at retailers, banks or at the Toronto Prize Office, under the supervision of the *Finance* department.

Keeping the internal wheels of the entire well-oiled machine turning are the *Administration, Personnel* and *Internal Audit* departments.

Public relations common denominator

Basic to all activities is dialogue between players and Corporation.

It is this two-way communication that provides valuable input into every phase of the Corporation's activities.

Every year consumers write over 30,000 letters. Each is answered, as are more than 50,000 telephone calls, by the busy *Public Relations* department.

A travelling display, complete with draw machine and knowledgeable staff, brings the Corporation to consumers at shopping malls and exhibitions.

Questions on games, how the draws are operated, security procedures and how lottery proceeds benefit the province are all answered. In addition, literature is also available, and 'Special' staffers, Winnie the Bear and Early Bird, are guaranteed crowd-pleasers during their many public appearances.

Distributors Play Important Role in Lottery Success

It's no mean feat distributing millions of lottery tickets throughout a market the size of Ontario. But come rain or shine, 49 men and women are geared to do just that.

THE Ontario Lottery Corporation's ticket distribution network consists of a province-wide team of independent business professionals.

Appointed by the board of directors, each distributor has a task that to many would be overwhelming: providing retailers with millions of Wintario, Provincial and Super Loto tickets for their customers.

Working closely with the Sales and Distribution department, distributors develop retail outlets in their designated sales areas. They also service Lottario and Lotto 6/49 agents, ensuring, at the same time, that all products are well displayed and important information is readily available to players.

Distributors act as wholesalers, buying their tickets from the Corporation and selling them to vendors. Incomes are calculated by commission on ticket sales.

The Corporation demands stringent business and financial standards from its distributors and closely monitors and assists them to ensure they are met.

Because of the frequency of lottery draws, the speed of delivery – often to large geographical territories – is of the essence. Add to this a climate of great extremes and the demanding nature of the job is underscored.

Network of 19,000 retailers keep tickets moving

Forming the final link in the distribution chain is the 19,000-member retailer network.

One of the largest systems of its kind, the network ensures that practically everywhere you go in the province, you'll find somewhere to buy a lottery ticket.

From Moosonee to Madoc; from Toronto to Thunder Bay, there are gas stations, corner variety stores, barber shops, chain stores, shopping mall information centres and workmates ready and willing to serve. Over 1,900 retailers are also agents for on-line ticket games.

The commissions earned by retailers on ticket sales, prize redemptions and bonuses for selling major prizewinning tickets, are an important source of income to many operators.

As well, service groups and non-profit organizations find that the commissions from lottery ticket sales are an excellent way to raise funds for their groups' community activities.

A six-person Distributor Council acts as a liaison between distributors and Corporation, forging co-operative plans and developing future opportunities.

The annual distributor award for exceptional peformance in 1981 was given to Oshawa-area distributor Bill Gadd (right) by D. Norman Morris, Corporation president.

The Corporation's tickets may be found in 19,000 retail outlets across the province. Some, like this kiosk, are dedicated solely to the sale of lottery tickets.

Made-in-Ontario Games Geared to Local Players

Like any other product in the entertainment industry, lotteries feature the elements that appeal to their players.

MOST people say that playing lotteries is like going to the movies. It's a low-cost form of entertainment that is exciting to play, whether you watch the draw on television, or not.

Wintario and Lottario games were specifically designed with Ontario residents in mind. Only available in this province, the $1-a-ticket games meet player demand by offering major cash prizes as well as thousands of other smaller ones.

Wintario beats the odds in game life-span

There's never been anything quite like Wintario in North American lottery history, say experts who should know.

Mainly because lotteries, have a definite life-span. Perhaps two years; perhaps two and a half.

Wintario, on the other hand, has just celebrated its seventh birthday and shows no sign of quitting.

One reason for its success is the tremendous public acceptance earned at across-the-province draws.

Another lies in keeping the game fresh and exciting for players.

Different strokes please folks

During this fiscal year, several new twists were added to Wintario, bringing total prizes for an average draw (based on five million tickets) to 283,260 prizes worth more than $3 million.

In June, 1981, and again in February, 1982, a three-week Jumbo bonus draw was held. Funded from unclaimed prize money, specially-printed tickets during three consecutive draws had a bonus ticket stub with an extra six-digit and series number. Players matching only the bonus number won $1,000, $5,000 or $10,000 prizes. These increased tenfold if the series number matched too.

In October, 1981, scramble and two-way play prizes were added.

In just seven years, the Wintario show has travelled 70,000 kms. – the equivalent to three times around the world. Faye Dance and Greg Beresford host the live draw from a different community each week.

Lottario's mascot, Early Bird, and show host Bill Lawrence, team-up in the live Lottario draw.

$50 scramble winners match the six-digit number drawn in any order on their ticket.

The two-way play feature offers prizes of $5,000, $100 or $10 on the first or last five, four or three digits of the $100,000 winning number.

Lottario hits the jackpot

When it comes to popularity, Lottario has hit the jackpot. In fact, during the last fiscal year, the on-line game continued to grow faster than any other as more and more people tried their luck at picking their own numbers.

To play Lottario, participants mark six numbers on a selection slip. Via the Ontario-wide network of on-line agents, the chosen numbers are entered into a terminal and recorded on the central Ontario Lottery Corporation computer.

Each week, a random chance draw determines six regular numbers and one bonus number. During the fiscal year 1981/82, there were 33 Jackpots ranging from $280,776.60 to $1,341,112.30.

In order to increase the accessibility of the game, the on-line terminal network expanded to 1,900 locations.

Creative solution reduces customer line-ups

With sales growing, more and more people played Lottario between Thursday night and Saturday. What was needed was a creative solution to persuade players to buy their tickets early in the week to avoid line-ups and computer overload.

Solutions come in different guises. And who would have guessed that a yellow feathered friend in a tartan waistcoat would coax one-third of our players to change their shopping habits.

But coax them, Early Bird did. In July, 1981, the friendly character introduced a $50,000 prize pool for players buying their tickets between Sunday and the close of business Wednesday. A four-number draw exclusively for Early Bird players, was added to the regular Saturday night Lottario draw.

Coast-to-Coast Games an Interprovincial Venture

If you travel in Canada, you'll find some games are nation-wide. They are operated by the Interprovincial Lottery Corporation, which represents provincial interests.

THE Ontario Lottery Corporation markets and distributes tickets in Ontario for those games administered by the Interprovincial Lottery Corporation. Profits stay in the province where tickets are sold and are allocated by each provincial government.

Provincial offers unique player promotions

Each $5 ticket in the weekly Provincial game is eligible for five consecutive draws. Offering grand prizes of $500,000, $50,000 and many other instant and draw prizes, this game featured some unique player promotions during the fiscal year 1981/82.

In September, 1981, 50 lucky Ontario couples won an all-expense paid weekend for two in Montreal. Hosted by hockey 'great' Paul Henderson, the climax was the Canada Cup hockey final.

In addition, a Black Cat bonus draw tempted the fates by offering 13 prizes of $131,313.13 on the traditionally unlucky Friday, November 13th. A Lucky Leprechaun bonus draw coincided with St. Patrick's Day in March, 1982 with 20 extra prizes of $100,000 each.

Super Loto millions still popular draw

Super Loto, still the only regular million dollar lottery, continued to be a favourite with players every month.

During the year there were 38 $1 million prizes available; 145 of $100,000 and thousands of other smaller draw and scratch-off prizes.

The $10-a-ticket game, had three bonus draws during the year in which a total of $9 million in unclaimed prize money was offered.

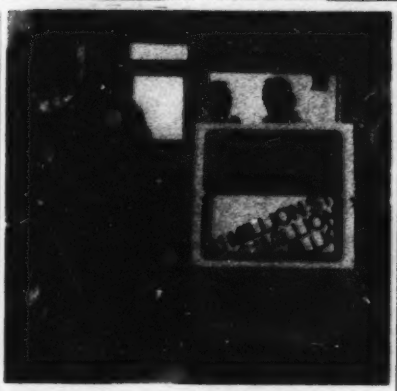
Record proves popular Xmas gift

When it comes to getting in the Christmas spirit, what better way than to hum along with some seasonal songs. And if they're original Canadian songs, written, performed and recorded by top Canadian artists, so much the better.

'Santa Claus is Canadian', a record commissioned by the Ontario Lottery Corporation, took everyone's fancy during the holiday season. In fact, it turned 'platinum' with its distribution of 200,000 copies.

It was offered in December, 1981, as a bonus with the purchase of a $20 tri-pack of Wintario, Provincial and Super Loto tickets.

Likely to become a Lottery Corporation tradition of its own, the project was a 'hit' in music circles too, where the opportunity to create original Canadian 'standards' was received enthusiastically.



A first in the lottery field, the Christmas record featured original Canadian music.

Provincial Canada Cup winners Donna and Mike Devolder (right) en route to Montreal with host Paul Henderson.

Lotto 6/49 is hosted every Saturday by Thomas Gibney.

Advertising kept players up-to-date with lottery changes.

Lotto 6/49 debuts

While Ontario and Quebec players have been able to play on-line number selection games for several years, people in other parts of Canada could not.

Following months of planning by the Ontario Lottery Corporation, Loto Quebec, Western Canada Lottery Foundation and Atlantic Lottery Corporation, the national Lotto 6/49 game was launched by the Interprovincial Lottery Corporation in June, 1982.

With a national network of 4,500 terminals in Canada, Lotto 6/49 is played in a similar manner to Lottario.

Players choose six numbers from a consecutive series of 1 to 49. The selections, which will cost $1 each, are entered into the central computer via a terminal operated by an authorized agent.

There is a guaranteed minimum Jackpot of $500,000, with prize values determined on a shared basis.

At game maturity, it is expected that Jackpots will reach $1 million weekly, with the possibility of building higher if not won.

New Money in the Bank Usually Means Feet on the Ground

Does winning a lottery change your life? While it may improve your standard of living a little, research shows that most big prize winners don't alter their lifestyles dramatically.

ACCORDING to a survey conducted by the Ontario Lottery Corporation, most of the prize money is banked or invested and the vast majority of winners keep on working.

The research was carried out among over 1,000 prize winners of between $7,000 and $1 million during a one-year period.

Recipients bank or invest winnings

The survey confirmed what the Ontario Lottery Corporation had always believed: that Ontario winners treat their good fortune sensibly, rarely changing their lifestyle.

Statistically the survey showed:

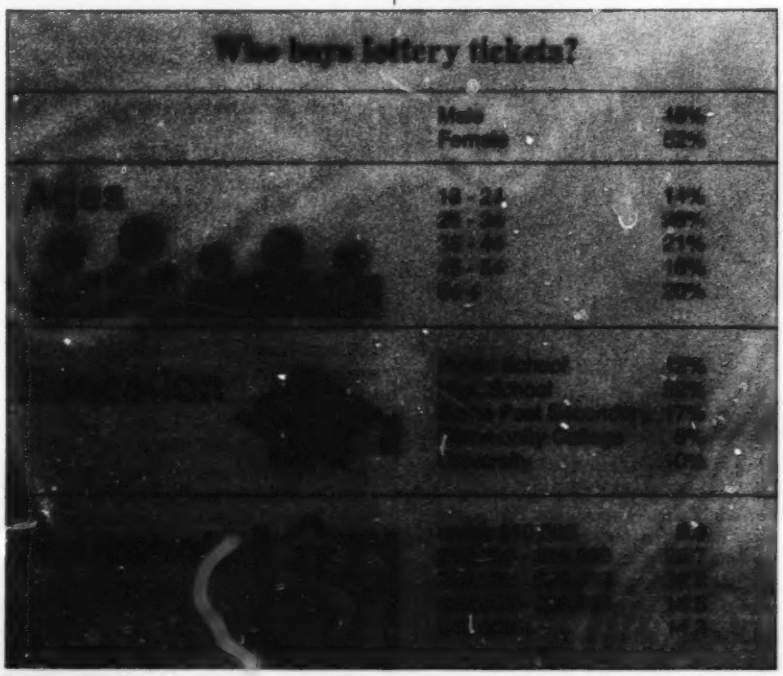
- 93.8% of respondents did not give up their job
- 82.5% banked their winnings or invested them in securities, bonds or short-term notes
- 37.1% shared their prizes with charities, family and friends
- 21.6% took a vacation
- 19.2% purchased a new vehicle
- 18.2% paid off their mortgages or bought a new home
- other uses for the prize money included repayment of debts (4.8%) and education for self or family (3.1%).

Two findings which were encouraging to the Corporation were that 97.3% of winners claimed to have received fair and courteous treatment from the news media and that 89% were not solicited for donations. Of those that were, over two-thirds said they had no problem with the requests.

Nearly 19 Million Prizes Claimed

The four games – Wintario, Lottario, Provincial and Super Loto produced nearly 19 million prizes worth $250 million, ranging from free tickets to $1.34 million.

Game integrity continued to be preserved by regulations giving the Corporation the right to make public a winner's name, address and photograph. In this way, all players are assured that prizes are awarded.



Unclaimed prizes returned to players

Once a prize has been dedicated, it is paid into a prize account and remains a prize until won.

At the end of the one-year prize claiming period, unclaimed funds are moved to a special prize account to be returned to players in the form of bonus prizes.

On average, about 90% of all prizes are claimed.

85% of Ontario households buy tickets

Lottery players and winners come from all walks of life, from every social and economic background. When it is considered that 85% of all Ontario households have bought tickets at one time or another, it's not hard to believe.

Lower income group participates less

Of significance is the fact that only 8.6% of players have household incomes below $10,000, shattering the myth that people with lower income buy more lottery tickets than any other group.

Lottery purchasers show commonsense approach

When it comes to buying lottery tickets, Ontario consumers have a commonsense approach. They spend neither a lot of time thinking about them, nor a lot of money in pursuit of them.

Research shows that 66% of Wintario players spend under $10 and 82% spend less than $20 during an average eight-week period.

Lottario players continue this purchase pattern with 56% spending less than $10 and 71% spending less than $20 in the same time-frame.

In the Provincial, 69% of players spend less than $10 and 81% spend $20 or less during a two-month period.

During an average three-month period, 62% of Super Loto players spend less than $20.

How Some Winners Handled Their Luck

Many major prizewinners greet their win with disbelief. Then they bank their winnings, catching their breath before deciding how to use their good fortune.

FOR Bonnie and Angelo Santangelo of Toronto, the $131,313.13 won on the November 13, 1981 Provincial bonus draw, was just what the doctor ordered.

Recently recovered from a heart-attack, Mrs. Santangelo found a new lease on life.

First was a dream vacation to Paradise Island in the Bahamas, followed by a family reunion in Italy.

But the most pleasure came from sharing her good luck with friends and relatives.

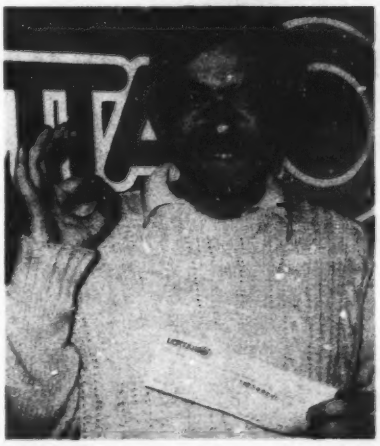
FINANCIAL advice was close at hand when mother and daughter Eva and Erin Agnew of Windsor collected their tax-free $1 million Super Loto prize in the November 29, 1981 draw. In fact, it was the form of husband/father Ed Agnew, City of Windsor finance commissioner.

Mrs. Agnew plans to invest her share, saying that it won't change her outlook on life. For Erin, the win allowed her to return to art school.

FOR John and Shirley MacFarlane of Kingston, their $369,260.10 Lotto win on September 5, 1981 turned dreams of owning their own business into reality.

Their new retail video store – a down-to-earth family venture – employs four of their five children as well as a daughter-in-law.

And another wish to support underprivileged children in developing countries has been fulfilled with the sponsorship of two foster children.



JAMES Betz of Cochrane was one of the few winners to quit work after his $234,904.60 Lottario win on April 25, 1981.

Saying that he felt someone else needed his job with Ontario Northland Railway more, Mr. Betz now operates his own hobby farm.

WITH seven children and three grandchildren, David and Doris Fenn of London said their $25,000 Wintario windfall on July 23, 1981, "came in very handy". After buying savings bonds and some new furniture, the Fenns visited Nova Scotia – Mrs. Fenn's first trip outside London in 30 years.

Sports, Culture, Medical Research and Hospitals Among Beneficiaries

The hardest thing about describing lottery benefits is finding a place to start. That's because the beneficiaries are so numerous and the effects so widespread.

DURING the fiscal year 1981/82, the Ontario Lottery Corporation added another $158 million in profits to this picture. This best-ever performance brought the grand total of lottery-generated funds to $700 million.

Wintario profits are earmarked for sports, physical fitness, cultural and recreational projects.

Through the unique Wintario Grants program, administered by the ministries of Tourism and Recreation and Citizenship and Culture, 40,000 communities and individuals have so far received funding for specified projects.

The program represents a co-operative effort between government and grant recipient, since a portion of the finances must be generated locally in order to qualify for a Wintario grant.

Grants are given to capital and non-capital projects in arts, heritage, library, citizenship, sports, fitness and recreational categories.

Lottario funds fall within the same general area of dispersal as Wintario. They are, however, directed to major building projects including the Royal Ontario Museum, Roy Thomson Hall, the extension of TVOntario to other parts of the province and the new Sudbury Science Centre.

Health and environmental research, and social service projects are funded by Provincial lottery proceeds.

They are distributed in the form of grants by the ministries of Health, Labour, Environment, Agriculture and Food, Natural Resources, Community and Social Services and the Provincial Secretariat for Justice.

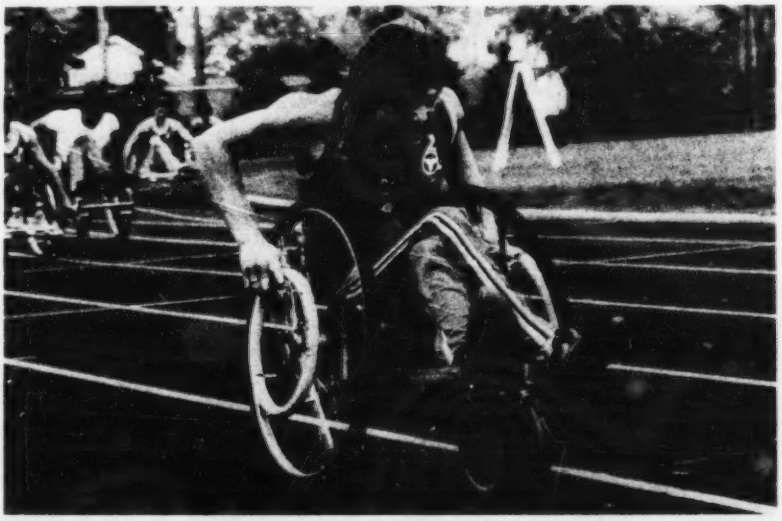
Hospitals, too, are enjoying support from lotteries. New facilities and renovations to existing ones are benefiting from Super Loto.

'Half Back' shows Wintario players another way to win

Almost one million non-winning Wintario tickets were traded by consumers for $2.3 million in discounts on Canadian paperbacks and theatre tickets during the six-month-long 1981 Half Back Program.

The popular program has been stimulating greater public appreciation for a variety of Canadian talent since 1978. In the past it has offered discounts on Canadian films, literature and records.

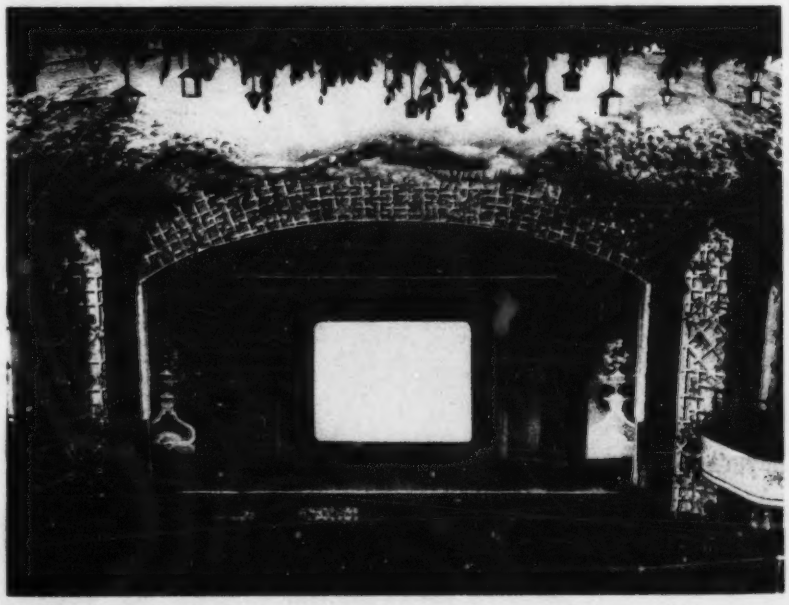
Wintario grant aids National Games for Disabled



With a $30,000 Wintario helping hand, 425 athletes took part in 30 sports events in August, 1981 in Scarborough.

Blind, amputee and wheelchair Olympians smashed over 100 records during this meet which coincided with the Year of the Disabled.

Lottario helps theatre bloom in garden



The Elgin/Winter Garden Theatre, once Toronto's most popular vaudeville house, will bloom again with the aid of a $3 million Lottario grant.

It will be restored to its 1914 splendour and house live theatre largely devoted to Canadian productions.

Registered nurses at Toronto General Hospital check monitors and charts for heart patients.

Equipment such as this rain catcher, assists researchers in analyzing the acid content of rain.

Provincial funds work toward heart disease cure

Ontario Heart Foundation officials credit Provincial lottery grants with permitting important stroke-related research to go ahead.

Since 1978, the Ministry of Health has allocated $800,000 in proceeds from the Provincial game to aid a variety of research projects conducted by the Heart Foundation.

Before this, stroke-related studies had been forced to take a financial back-seat to other circulatory medical research. Without the Provincial's help, say Foundation spokesmen, development in the field would have been a slow process.

The most recent Provincial financial allotment, a $300,000 grant designated specifically for stroke research, is being matched by the Foundation. It will be used to create fellowships in heart research.

Heart disease, which kills 80,000 Canadians every year, afflicts over 2.6 million men, women and children through heart attack, stroke and hardening of the arteries.

Acid rain studies benefit from $1.3 million Provincial grant

Rain, rain go away, come again another day! This child's nursery rhyme carries a whole new meaning into the 80's: acid rain.

But grants worth $1.3 million from Provincial lottery proceeds have been earmarked for important research.

Simply put, acid rain is a weak solution of sulphuric acid, which when it falls, affects acid-sensitive lakes and rivers, killing fish and other aquatic life.

In order to understand the challenge of acid rain, studies aimed at accumulating information are being carried out.

Some are concerned with the effects of acid rain on fish populations in acid-sensitive lakes. Others are developing more accurate methods of measuring the full extent of the problem.

The funds are distributed through the Environmental Research Provincial Lottery Trust of the Ministry of the Environment. Independent proposals from Ontario universities are reviewed and grants distributed to projects meeting the established criteria.

Super Loto assists hospital capital projects

Proceeds from Super Loto have been allocated to the Ministry of Health to add to its existing hospital capital budget.

Many hospitals across Ontario have been assisted. Some of the projects have a special focus on outpatient facilities to reflect the government's desire to maximize the effectiveness of health-care establishments.

Over Half the Revenues Returned as Prizes

The lion's share of Corporation revenues, representing $271 million or 53.6%, was available as prizes to players.

THE Corporation's gross income during the fiscal year 1981/82 totalled $507 million, an increase of $17 million from the year before. It comprised revenues from ticket sales of Wintario, Lottario, Provincial and Super Loto games operated throughout the province.

Net profit/proceeds up by $9 million

Net profit/proceeds generated for the Consolidated Revenue Fund from the four games amounted to $158 million, a $9 million increase from the previous year.

Commissions important revenue for distribution system

$41.4 million was paid in commissions on ticket sales to the 49 distributors and 19,000 retailers in the province-wide network.

Distributors receive an average of 2.5 cents for each Wintario ticket, 11.25 cents for Provincial tickets and 22.5 cents for each Super Loto ticket sold.

Retailers are paid 8 cents for each Wintario ticket, 25 cents for a Provincial ticket and 50 cents for Super Loto tickets sold. On-line agents receive 5 cents for each selection recorded.

In addition, retailers are eligible for bonus commissions ranging from $100 to $1,500 for selling grand prize winning tickets.

Costs reflect increased activities and inflation

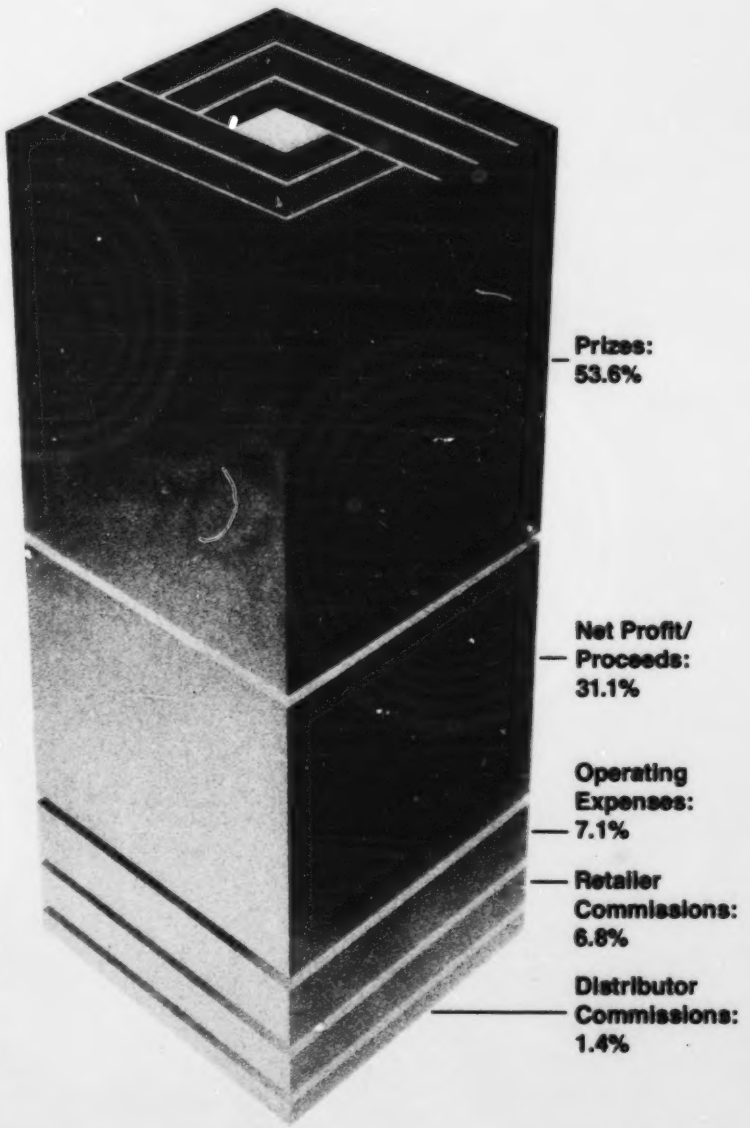
Despite inflation, the Ontario Lottery Corporation has kept its lottery tickets at the same price as when they were introduced.

Inflation has, however, increased the cost of doing business. The Corporation's operating expenses which comprise advertising, ticket printing, administration and other equipment expenses have grown to $36.2 million or 7.1% of income, reflecting increased activities and costs.

An additional $8.8 million was paid to the federal government under the terms of the federal-provincial agreement of August, 1979. This agreement governed the withdrawal of the federal government from the lottery field at the end of 1979.

DISTRIBUTION OF GROSS INCOME

Gross sales = 100%



ONTARIO LOTTERY CORPORATION

Incorporated without share capital under the Ontario Lottery Corporation Act

BALANCE SHEET

AS AT MARCH 31, 1992

Assets	1992	1991
Current assets	$	$
Cash	3,227,709	16,953,369
Prize funds	27,828,394	24,828,275
Due from Interprovincial Lottery Corporation	8,848,328	8,055,140
Accrued interest	870,226	677,177
Accounts receivable	2,868,878	2,218,050
Prepaid expenses	495,638	231,374
	46,845,163	52,794,304

Liabilities		
Current liabilities		
Prize money unclaimed	27,828,394	24,828,275
Net profit/proceeds due to the Treasurer of Ontario (Notes 3 and 4)	3,324,617	12,764,348
Accounts payable and accrued liabilities	3,880,163	6,147,803
Deferred income	11,111,367	9,053,878
	46,845,163	52,794,304

See accompanying notes to financial statements.

On behalf of the Board:

J. Gilbert Bourassa — Director

D. R. Thomas — Director

STATEMENT OF NET PROFIT/PROCEEDS

DUE TO THE TREASURER OF ONTARIO FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
	$	$
Balance, beginning of year	12,764,248	15,931,588
Net profit/proceeds for the year		
Wintario	56,124,859	59,832,337
Lottario	75,636,684	56,860,103
Provincial	16,580,237	20,510,997
Super Loto	9,218,609	11,609,223
	157,520,389	148,832,660
Less payments to the Treasurer of Ontario on account of net profit/proceeds:		
Wintario (note 3)	61,000,000	57,000,000
Lottario (note 3)	78,000,000	59,000,000
Provincial (note 4)	20,000,000	26,000,000
Super Loto (note 4)	10,000,000	10,000,000
	167,000,000	152,000,000
Balance, end of year		
Wintario	186,776	4,961,117
Lottario	1,173,238	1,546,572
Provincial	882,484	4,102,247
Super Loto	1,252,121	2,134,312
	3,294,617	12,764,248

See accompanying notes to financial statements.

ONTARIO LOTTERY CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
	$	$
Cash Ticket Sales	448,845,261	422,884,341
Free Tickets	58,251,183	67,448,475
	506,896,444	490,332,816
Less Commissions		
Retailers and Distributors	41,397,545	41,202,846
	465,498,899	449,129,970
Prizes		
Wintario – cash	72,673,526	83,466,000
– free tickets	47,850,959	52,122,245
Lottario	102,392,801	74,066,297
	222,717,286	209,654,542
Cost of Tickets (note 2)		
Provincial – cash	23,824,924	27,618,797
– free tickets	–	11,159,490
Super Loto – cash	14,750,864	17,724,146
– free tickets	10,600,224	4,166,740
	49,176,012	60,669,173
Operating Expenses		
Advertising	12,825,029	10,158,060
Ticket Printing	6,411,727	6,073,031
Administration and other expenses	13,173,805	9,611,891
Payment to Government of Canada (note 5)	8,755,854	9,371,806
Equipment	3,777,353	1,486,817
	44,973,768	36,701,605
Operating Income	146,631,833	142,104,650
Interest	8,668,626	6,728,010
Net profit/proceeds for the year	157,300,366	148,832,660

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting
The Corporation's financial statements are prepared in accordance with generally accepted accounting principles except for fixed assets which are written off to operations at the time of acquisition.

(b) Deferred Income
Revenues received net of expenses incurred for draws held subsequent to March 31st are deferred.

2. PROVINCIAL AND SUPER LOTO

Pursuant to section 7(b) of The Ontario Lottery Corporation Act, the Corporation was authorized by the Lieutenant Governor in Council to enter into agreements with other provinces regarding an interprovincial lottery scheme. The Provincial and Super Loto lotteries are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation, a company incorporated under the Canada Business Corporation Act, the shares of which are held by Her Majesty the Queen in right of the respective provinces.

The Ontario Lottery Corporation is the Regional Marketing Organization for the Provincial and Super Loto in Ontario. The Corporation purchases tickets for these games from the Interprovincial Lottery Corporation. The cost of tickets purchased from the Interprovincial Lottery Corporation is composed of the proportional share of prizes based on the number of tickets purchased, plus operating expenses less relevant interest earnings of the Interprovincial Lottery Corporation.

3. NET PROFITS – WINTARIO AND LOTTARIO

Pursuant to section 9 of The Ontario Lottery Corporation Act, the net profits of the Corporation after provision for prizes and the payment of expenses and operations, are payable into the Consolidated Revenue Fund of the Province.

4. NET PROCEEDS – PROVINCIAL AND SUPER LOTO

Pursuant to Orders in Council 3034/76 and 1940/80, all moneys attributed to or accruing to Ontario from the Provincial and Super Loto after providing for prizes and the payment of operating expenses, are payable into the Consolidated Revenue Fund of the Province of Ontario to be held in trust.

5. PAYMENT TO GOVERNMENT OF CANADA

An agreement was made between the Government of Canada and the Province of Ontario in August 1979 which stipulated that the Government of Canada would withdraw from the sale of lottery tickets effective December 31, 1979. Effective January 1, 1980 the agreement required the provinces to remit quarterly to the Government of Canada the sum of $6 million, appropriately adjusted to reflect the effects of inflation, based on a formula which takes into account each province's population and proportionate ticket sales.

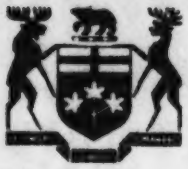
Ontario's 1981-82 share of the payment was $8,785,854 (1981 – $9,371,806) and was remitted to the Government of Canada through the Interprovincial Lottery Corporation.

6. SUBSEQUENT EVENT

On June 4, 1982 The Interprovincial Lottery Corporation launched a new game called "Lotto 6/49" for which The Ontario Lottery Corporation is the Regional Marketing Organization in Ontario. The first draw was held on June 12, 1982.

7. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1982 presentation.



Office of the
Provincial
Auditor.

To the Board of Directors of the Ontario Lottery Corporation and to the Minister of Tourism and Recreation.

I have examined the balance sheet of the Ontario Lottery Corporation as at March 31, 1982 and the statements of operations and net profit/proceeds due to the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations for the year then ended in accordance with the accounting policy described in Note 1a to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister.

D.F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario
August 20, 1982

The Ontario Lottery Corporation
2 Bloor Street West
Toronto, Ontario
M4W 3H8

Prize Office
Mezzanine floor
Cumberland Terrace
(416) 961-6262

Winning Numbers

Wintario	(416) 870-9170
Lottario	(416) 870-9122
Provincial	(416) 870-9161
Super Loto	(416) 870-9135
Lotto 6/49	(416) 870-9134

Ontario

Ministry of Tourism and Recreation

Hon. Reuben C. Baetz
Minister
John R. Sloan
Deputy Minister

POOR

QUALITY

ORIGINAL